

## Highlights

- ⊙ Consolidated EBITDA for 1Q19 reached Ps. 2,550 million, a record quarterly figure for the Company, up 7.5% compared to 1Q18; with a consolidated margin of 49.5%.
- ⊙ ARPU per unique subscriber continues with its positive growth trend, reaching Ps. 390.3, a historical high for the Company, representing 3.9% growth compared to 1Q18.
- ⊙ At the close of 1Q19, RGUs rose by 9.0% to Ps. 8 million, compared to 1Q18; RGUs per unique subscriber reached 2.25.
- ⊙ The Company continues to improve its debt levels due to its cash generation, reducing its debt levels from Ps. 573 million in 4Q18 to Ps. 12 million in 1Q19.
- ⊙ The Corporate Telecom segment, including Metrocarrier, ho1a and MCM, grew 19.6%, compared to 1Q18, mainly supported by the 24.4% revenue growth at Metrocarrier.

Guadalajara, Jalisco, Mexico, April 29, 2019 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the first quarter of 2019 (1Q19). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise indicated.

## Consolidated Financial Results

	1Q19	1Q18	% Var
Income	5,150,290	4,694,795	9.7%
EBITDA	2,550,413	2,373,535	7.5%
EBITDA Margin	49.5%	50.6%	
Net Profit	1,180,808	1,155,321	2.2%
Cash and short-term investments	3,849,588	4,228,641	(9.0%)
Net Debt	11,586	(176,807)	106.6%
CAPEX	1,385,016	1,372,031	0.9%
Mkt. Cap (Ps. Millions)	77,521	72,228	7.3%
<b>Subscribers</b>			
Video	3,196,828	3,101,244	3.1%
Internet	2,953,639	2,735,615	8.0%
Telephony	1,906,589	1,554,273	22.7%
<b>Other Data</b>			
Home Passed	8,586,621	8,206,565	4.6%
Network Kilometers	60,334	56,939	6.0%
Employees	20,677	18,912	9.3%

For more information please visit: <http://inversionistas.megacable.com.mx>  
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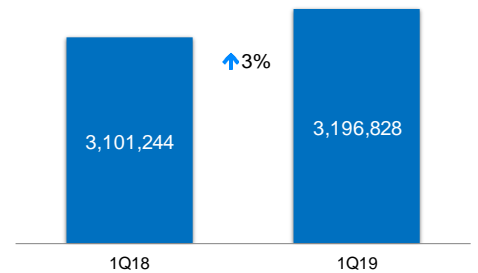
## Massive Market

During the quarter, the slowdown of the Mexican economy continued as in previous quarters, which resulted in neutral growth in the massive market segment where the Company participates. This mainly affected the low-income socio-economic segments, which represents an important part of our subscribers base. Additionally and as a result of the abovementioned, during the quarter the Company carried out a cleansing of its subscriber base, aiming to have a healthier client portfolio, focus on quality additions with higher ARPU. This resulted in subscriber growth in the Telephony segment, while Broadband and Video remained flat.

## Video Subscribers

At the close of 1Q19, the video segment reached 3,196,828 subscribers, a 3.1% increase, or 96 thousand net adds compared to 1Q18. When compared to 4Q18, subscribers for this segment remained flat.

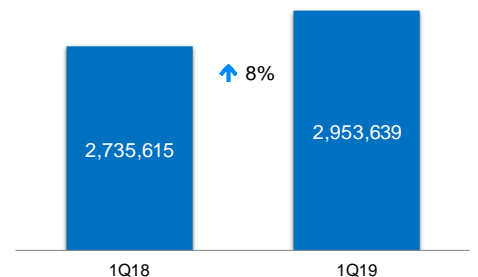
At the close of March 2019, 81% of total subscriptions is digitalized, through 4.9 million set-top boxes (STB). Xview increased by 60 thousand net adds, reaching 503 thousand subscribers, up 13.6% compared to 4Q18. The Company continues to work on maintaining the highest level of customer satisfaction of this platform, as well as increasing its current content available.



## Internet Subscribers

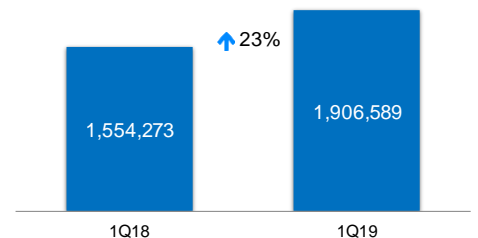
During 1Q19, the Internet segment continued to post subscriber growth, reaching 2,953,639 subscribers, an 8.0% growth or 218 thousand net adds, compared to 1Q18. Compared to 4Q18, the Company registered 11 thousand net adds.

As a result, Megacable is focused on remaining as the market's top option, by offering attractive speed levels as well as competitive rates.



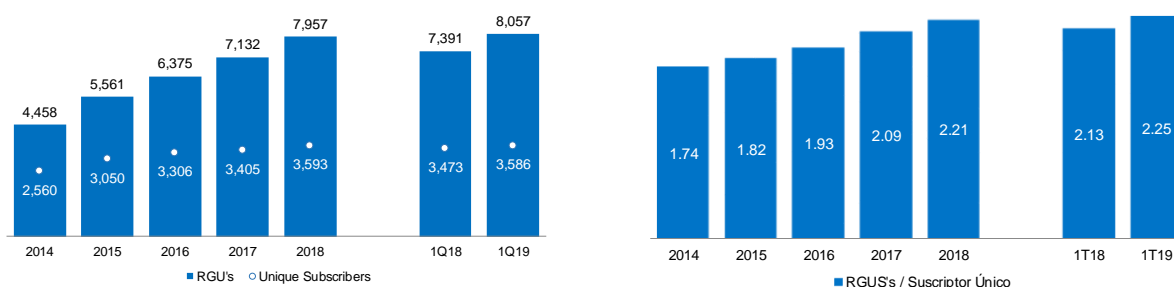
## Telephony Subscribers

At the close of 1Q19, the Telephony segment reached 1,906,589 subscribers, representing a significant 22.7% growth, or 352 thousand net adds year-over-year. This segment increased by 5.2% or 94 thousand new subscribers in 1Q19 compared to 4Q18. This result was mainly driven by the Company's successful bundling strategy.



## Unique Subscribers and Revenue Generating Units (RGUs)

At the close of 1Q19, RGUs reached 8,057,056, up 9.0% compared to 1Q18. This was mainly due to the subscriber growth experienced throughout the Company's three massive market segments, compared to 1Q18. As a result of the aforementioned, RGUs per unique subscriber reached 2.25, continuing its upward trend.



## Churn Rate

At the close of 1Q19 and as a result of the cleansing of the Company's subscriber base, along with the aforementioned economic situation, the churn rate of all segments increased when compared to 4Q18. Video increased to 2.8%, up 40 basis points when compared 1Q18 and 90 basis points compared to 4Q18. Likewise, the Internet segment churn rate increased by 40 and 70 basis points when compared to 1Q18 and 4Q18, respectively. Additionally, Telephony declined by 90 basis points compared to 1Q18, mainly as a result of the Company's commercial bundling strategies launched to retain subscribers.

	1Q19	1Q18	4Q18
Video	2.8%	2.4%	1.9%
Internet	2.7%	2.3%	2.0%
Telephony	3.9%	4.8%	2.8%

## Revenues

Total 1Q19 revenues reached Ps. 5,150 million, a 9.7% increase compared to 1Q18. The massive market grew by 7.9%, mainly as a result of greater revenues from additional video services (HD, XView and premium channels), and to the increase in prices that took place in February. Revenues for the corporate segment grew by 18.5%.

	1Q19	1Q18	%Var
Video	2,190,401	2,002,342	9%
Internet	1,612,901	1,476,176	9%
Telephony	372,793	392,330	-5%
Others	25,986	24,080	8%
<b>Total Mass Market</b>	<b>4,202,079</b>	<b>3,894,929</b>	<b>8%</b>
Corporate	948,210	799,866	19%
<b>Total</b>	<b>5,150,290</b>	<b>4,694,795</b>	<b>10%</b>

## ARPU

ARPU per unique subscriber continued its upward trend reaching Ps. 390.3, once again a record level for the Company, which represented 3.9% growth compared to 1Q18. The aforementioned was due to a greater number of RGU's per subscriber, driven by a strategy of focusing on triple-play packages, added to the contribution of additional services and the increase in prices that took place in February. By services, ARPU for the Video segment increased by 5.7%, while Internet slightly grew compared to 1Q18. Telephony ARPU declined mainly due to changes in the distribution of revenues, which primarily affected this service, as such, we seek to reflect more accurately these operations going forward.

	1Q19	1Q18	% Var	4Q18	% Var
<b>ARPU (1) (Ps.)</b>					
Unique subscribers of cable	<b>390.3</b>	375.7	4%	386.2	1%
Video	<b>228.6</b>	216.3	6%	219.1	4%
Internet	<b>182.0</b>	181.9	0%	179.8	1%
Telephony	<b>66.5</b>	85.8	-23%	81.0	-18%

Notes:

(1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue per each segment for the period, divided by the average number of subscribers for the corresponding period.

## Corporate Telecom Segment Revenues

Corporate Telecom segment revenues increased by 19.6% compared to 1Q18, representing 16.9% of Megacable's total revenues, versus 15.5% in 1Q18. During this quarter, Metrocarrier reached 24.4% growth, supported by the increase in the product range, while ho1a revenues rose by 12.8% and MCM rose by 16.4% compared to 1Q18.

	1Q19	1Q18	%Var
Metrocarrier	439,941	353,636	24%
HO1A	166,086	147,178	13%
MCM	266,766	229,221	16.4%
<b>Telecom Corporate</b>	<b>872,793</b>	<b>730,035</b>	<b>20%</b>
PCTV	75,417	69,831	8%
<b>Total</b>	<b>948,210</b>	<b>799,866</b>	<b>19%</b>

## Costs & Expenses

In 1Q19, service expenses increased by 17.0%, mainly as a result of cable operations due to higher non-linear programming costs, energy, links and labor. Operating expenses rose by only 7.2%, below the growth in revenue, as a result of operating efficiencies.

## EBITDA

Adjusted EBITDA for the cable operations for 1Q19 reached Ps. 2,367 million, or 5.5% growth, compared to 1Q18. This represented an EBITDA margin of 51.0%. Likewise, consolidated EBITDA reached Ps. 2,550 million, a record figure for the Company for a quarter, which represented a 7.5% increase compared to 1Q18; with a consolidated margin of 49.5%.

	1Q19	1Q18	%Var
<b>CONSOLIDATED</b>			
Consolidated operating profit	1,595,477	1,595,257	0%
Plus consolidated depreciation and amortization	954,936	778,278	23%
<b>Consolidated EBITDA (1)</b>	<b>2,550,413</b>	<b>2,373,535</b>	<b>7%</b>
<b>Consolidated EBITDA Margin</b>	<b>49.5%</b>	<b>50.6%</b>	
<b>CABLE OPERATIONS</b>			
Non Cable Operations	183,492	129,029	42%
<b>Cable Adjusted EBITDA (2)</b>	<b>2,366,921</b>	<b>2,244,506</b>	<b>5%</b>
<b>EBITDA Margin of Cable</b>	<b>51.0%</b>	<b>52.8%</b>	

Notes:

(1) Consolidated EBITDA is calculated by adding to the net income/loss the following: depreciation and amortization, net comprehensive financing income, other net income, non-recurring expenses (income) total income tax, workers profit sharing, equity in income of associated companies and minority interest.

(2) Adjusted EBITDA for the Cable operations is calculated by subtracting MCM, PCTV and Ho1a EBITDA from Consolidated EBITDA

## Net Income

Net income for the quarter reached Ps. 1,180 million, a 2.2% increase compared to Ps. 1,155 million in 1Q18. This result, which was below EBITDA growth, was due to higher depreciation as a result of the investments made in previous years and changes to the IFRS accounting principles.

## Net Debt

At the close of 1Q19, Megacable's Net Debt was Ps. 12 million, an important decline compared to Ps. 573 million in 4Q18, mainly due to the cash generated during the quarter. Total debt is mainly comprised of two loans maturing in July 2019, for a total of Ps. 3,700 million.

	1Q19	1Q18	4Q18
<b>Short Term Debt</b>	<b>3,775,111</b>	<b>154,263</b>	<b>3,778,569</b>
One year maturity of long-term bank loans	3,775,111	154,263	3,778,569
<b>Long-Term Debt</b>	<b>86,064</b>	<b>3,897,570</b>	<b>124,782</b>
Bank Loans	83,795	3,893,135	120,310
Accounts Payable	2,269	4,435	4,471
<b>Total Debt</b>	<b>3,861,175</b>	<b>4,051,834</b>	<b>3,903,351</b>
Cash and Short-Term Investments	3,849,588	4,228,641	3,330,216
<b>Net Debt</b>	<b>11,586</b>	<b>(176,807)</b>	<b>573,134</b>

## Net Comprehensive Financing Result

The Company reported a net financing result of Ps. 26.1 million during 1Q19, comprised of Ps. 17.8 million in net interest expense and a net exchange loss of Ps. 8.3 million.

	1Q19	1Q18
Net Exchange Loss	8,345	52,450
Interest Income	85,390	75,227
Interest Expense	103,184	92,279
<b>Net Comprehensive Financial Result</b>	<b>(26,138)</b>	<b>(69,502)</b>

## CAPEX

Megacable invested Ps. 1,385 million during 1Q19, which represented 26.9% of the revenues for the quarter. Investments during the quarter were mainly allocated towards increasing network capacity, as well as the construction of new network kilometers and the purchase of subscriber equipment.

## Stock Information

Ticker MEGACPO	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Outstanding shares (thousands)	411,940	829,891
Shares in treasury (thousands)	310	620
2 Series "A" Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 77,521
Closing price (Ps) *		\$ 90.07
Free float		48%
As of March 31st, 2019		

\* Source: Infotel

## Disclaimer

This press release contains forward-looking statements regarding the Company's results and future prospects which are subject to risk and uncertainty. Therefore, these results and statements may differ due to various factors. Moreover, figures in this report may vary due to rounding.

## Conference Call

Megacable will hold its 1Q19 Earnings Conference Call on Tuesday, April 30, 2019 at 11:00 am (Central Time) / 12:00pm (Eastern Time).

To access the call, please dial:

from within the U.S. 1-877-830-2576

from outside the U.S. 1-785-424-1726

Conference ID Number: MEGA

## Balance Sheet

	as of March 31	
	2019	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and short-term investments	3,849,588	4,228,641
Accounts receivable from customers and other, net	1,929,570	1,476,527
Recoverable taxes	300,227	294,895
Inventories	652,073	474,836
<b>Total Current Assets</b>	<b>6,731,459</b>	<b>6,474,899</b>
<b>NON-CURRENT ASSETS</b>		
Investment in shares of associated companies	-	276,040
Property, systems and equipment, net	27,531,455	24,900,351
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	-	4,837
Intangible assets by right-of-use assets	328,763	-
Other assets	650,849	398,317
Affiliated and associated companies	1,245,554	1,062,895
<b>Total Assets</b>	<b>40,866,477</b>	<b>37,495,736</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
One year maturity of long-term liabilities	3,775,111	154,263
Suppliers	1,482,166	1,479,055
Short-term affiliated and associated companies	415,316	275,456
Accounts payable and accrued expenses payable	2,160,802	2,165,656
Short-term leases payable	78,948	-
<b>Total Current Liabilities</b>	<b>7,912,343</b>	<b>4,074,430</b>
<b>LONG TERM LIABILITIES</b>		
Bank loans	83,795	3,893,135
Labor obligations	235,738	210,823
Accounts payable	2,269	4,435
Deferred taxes	1,926,309	1,698,775
Affiliated and associated companies	661,561	661,561
Long-term leases payable	249,815	-
<b>Total Long-Term Liabilities</b>	<b>3,159,488</b>	<b>6,468,729</b>
<b>Total Liabilities</b>	<b>11,071,831</b>	<b>10,543,160</b>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	24,965,630	22,262,250
Minority Interest	1,312,381	1,173,690
Legal Reserve	488,832	488,832
<b>Total Stockholders' Equity</b>	<b>29,794,647</b>	<b>26,952,576</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>40,866,477</b>	<b>37,495,736</b>

## Income Statement

	1Q19	1Q18	% Var
<b>Income</b>	\$ 5,150,290	\$ 4,694,795	10%
Cost of Services	1,334,177	1,140,266	17%
<b>Gross Profit</b>	\$ 3,816,113	\$ 3,554,529	7%
Operating and General Expenses	1,265,700	1,180,994	7%
<b>EBITDA</b>	\$ 2,550,413	\$ 2,373,535	7%
Depreciation and amortization	954,936	778,278	23%
<b>Operating Profit</b>	\$ 1,595,477	\$ 1,595,257	0%
Other income (expenses), net	1,639	17,456	(91%)
Comprehensive Financing Income, Net	26,138	69,502	(62%)
<b>Income Before Income Tax and Minority Interest</b>	\$ 1,570,978	\$ 1,543,211	2%
Income Tax	345,616	339,506	2%
<b>Net Profit</b>	\$ 1,225,362	\$ 1,203,706	2%
<b>Net income attribute to:</b>			
Non-Controlling interest	44,554	48,384	(8%)
Controlling interest	1,180,808	1,155,321	2%
	\$ 1,225,362	\$ 1,203,706	2%



## Income Statement per Segment

	1Q19	1Q18	% Var
<b>CABLE OPERATIONS</b>			
<b>Income</b>	\$ 4,642,021	\$ 4,248,565	9%
Cost of Services	1,169,313	990,461	18%
<b>Gross Profit</b>	<b>3,472,708</b>	<b>3,258,103</b>	<b>7%</b>
Operating and General Expenses	1,105,787	1,013,597	9%
<b>EBITDA</b>	<b>\$ 2,366,921</b>	<b>\$ 2,244,506</b>	<b>5%</b>
	51%	53%	
<b>OTHER</b>			
<b>Income</b>	<b>508,269</b>	<b>446,230</b>	<b>14%</b>
MCM	266,766	229,221	16%
HO1A	166,086	147,178	13%
PCTV	75,417	69,831	8%
<b>Cost of Services</b>	<b>164,864</b>	<b>149,805</b>	<b>10%</b>
MCM	28,773	26,285	9%
HO1A	98,140	93,476	5%
PCTV	37,951	30,043	26%
<b>Gross Profit</b>	<b>343,405</b>	<b>296,426</b>	<b>16%</b>
<b>Operating and General Expenses</b>	<b>159,913</b>	<b>167,397</b>	<b>(4%)</b>
MCM	93,612	103,107	(9%)
HO1A	33,127	27,059	22%
PCTV	33,174	37,231	(11%)
<b>EBITDA</b>			
MCM	144,381	99,829	45%
HO1A	34,820	26,643	31%
PCTV	4,292	2,556	68%
<b>EBITDA</b>	<b>\$ 183,492</b>	<b>\$ 129,029</b>	<b>42%</b>
	36%	29%	
<b>TOTAL OPERATION</b>			
<b>Income</b>	<b>5,150,290</b>	<b>4,694,795</b>	<b>10%</b>
Cost of Services	1,334,177	1,140,266	17%
<b>Gross Profit</b>	<b>3,816,113</b>	<b>3,554,529</b>	<b>7%</b>
Operating and General Expenses	1,265,700	1,180,994	7%
<b>EBITDA</b>	<b>\$ 2,550,413</b>	<b>\$ 2,373,535</b>	<b>7%</b>
	50%	51%	